


LATITUDE
Telcom Consultants LLC

 14 Corporate Woods Blvd., Suite 215
 Albany, New York 12211

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JUN 30 2014

FCC Mail Room

June 25, 2014

REDACTED - FOR PUBLIC INSPECTION

 Marlene H. Dortch, Secretary
 Federal Communications Commission
 Office of the Secretary
 445 12th Street, S.W.
 Washington, D.C. 20554

**Re: FCC Form 481 – 2014 Carrier Annual Reporting Data Collection
 WC Docket No. 10-90; WC Docket No. 11-42
 Trumansburg Telephone Company, Inc. (SAC: 150131)**
**Confidential Information Subject to Protective Orders in WC Docket Nos. 10-90, 07-135,
 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 96-45, WT Docket No. 10-208,
 Before the Federal Communications Commission**

Dear Secretary Dortch:

On behalf of Trumansburg Telephone Company, Inc., Latitude Telcom Consultants, LLC hereby files the company's confidential responses regarding the 47 C.F.R. §54.313(f)(2) financial information and §54.313(a)(1) Five-Year Service Quality Improvement Plan included in its Form 481 filing. This information is being filed under the Protective Orders adopted in this proceeding.¹

The submitted confidential documents contain sensitive information concerning projected construction activity plans and financial data which, if made publically available, could be used by its competitors or others to the company's disadvantage.

The FCC Form 481 has been submitted to USAC via its e-file system and a copy of the submission is also being provided to the state commission. Please contact me at (518) 443-2805, or davew@latitude-LLC.com, if you have any questions regarding this filing.

Sincerely,

 David Waters
 Latitude Telcom Consultants, LLC

 No. of Copies rec'd 0
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cc: Charles Tyler, Telecommunications Access Policy division (two copies, confidential)

¹ WC Docket 10-90 *et al.*, Protective Order, DA 12-1857 (released Nov. 16, 2012) and Third Protective Order, DA 12-1418 (released Aug. 30, 2012).

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Confidential Information Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 96-45, WT Docket No. 10-208, Before the Federal Communications Commission

TRUMANSBURG TELEPHONE COMPANY, INC.

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LINE 112 ATTACHMENT

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CONSTRUCTION PROJECT DESCRIPTIONS

Wire Center:

Project Title:

Project Description:

Estimated Start Date:

Estimated Completion Date:

Estimated Area Affected: Square Miles

Estimated Population Affected: Access Lines

Wire Center:

Project Title:

Project Description:

Estimated Start Date:

Estimated Completion Date:

Estimated Area Affected: Square Miles

Estimated Population Affected: Access Lines

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Wire Center: Ovid

Project Title: O-05 DSL Upgrades

Project Description: The company will continue to upgrade their DSL network to offer higher speed packages up to 10MB/1MB to current customers where technically feasible and to provide improved DSL service to under-served areas of their territory.

Estimated Start Date: 01/01/2015

Estimated Completion Date: 12/31/2015

Estimated Area Affected: 4.28 Square Miles

Estimated Population Affected: 103 Access Lines

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Wire Center: Interlaken

Project Title: I-03 DSL Upgrades

Project Description: The company will continue to upgrade their DSL network to offer higher speed packages up to 10MB/1MB to current customers where technically feasible and to provide improved DSL service to under-served areas of their territory.

Estimated Start Date: 01/01/2015

Estimated Completion Date: 12/31/2015

Estimated Area Affected: 2.10 Square Miles

Estimated Population Affected: 73 Access Lines

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Wire Center: Trumansburg

Project Title: T-06 DSL Upgrades

Project Description: The company will continue to upgrade their DSL network to offer higher speed packages up to 10MB/1MB to current customers where technically feasible and to provide improved DSL service to under-served areas of their territory.

Estimated Start Date: 01/01/2016

Estimated Completion Date: 12/31/2016

Estimated Area Affected: 6.42 Square Miles

Estimated Population Affected: 157 Access Lines

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Wire Center: Trumansburg

Project Title: T-07 DSL Upgrades

Project Description: The company will continue to upgrade their DSL network to offer higher speed packages up to 10MB/1MB to current customers where technically feasible and to provide improved DSL service to under-served areas of their territory.

Estimated Start Date: 01/01/2016

Estimated Completion Date: 12/31/2016

Estimated Area Affected: 8.07 Square Miles

Estimated Population Affected: 93 Access Lines

Wire Center: Trumansburg

Project Title: T-08 DSL Upgrades

Project Description: The company will continue to upgrade their DSL network to offer higher speed packages up to 10MB/1MB to current customers where technically feasible and to provide improved DSL service to under-served areas of their territory.

Estimated Start Date: 01/01/2016

Estimated Completion Date: 12/31/2016

Estimated Area Affected: 2.50 Square Miles

Estimated Population Affected: 61 Access Lines

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Confidential Financial Information Subject to Protective Order in WC Docket Nos.
10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51,
WT Docket No. 10-208, Before the Federal Communications Commission

TRUMANSBURG TELEPHONE COMPANY, INC.

LINE 3026 ATTACHMENT

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TRUMANSBURG TELEPHONE COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

INDEX

	<u>Page</u>
Auditors' Report	2
Exhibit A CONSOLIDATED BALANCE SHEETS, December 31, 2013 and 2012	3-4
Exhibit B CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME, For the Years Ended December 31, 2013 and 2012	5
Exhibit C CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY, For the Years Ended December 31, 2013 and 2012	6
Exhibit D CONSOLIDATED STATEMENTS OF CASH FLOWS, For the Years Ended December 31, 2013 and 2012	7
Notes to Consolidated Financial Statements	8-21

BUSH & GERMAIN, PC
CERTIFIED PUBLIC ACCOUNTANTS
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SYRACUSE, NEW YORK 13203
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FAX: (315) 424-1457

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To The Board of Directors
Trumansburg Telephone Company
7890 Lehigh Crossing
Victor, New York 14564

April 24, 2014

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Trumansburg Telephone Company, which are comprised of the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of income and comprehensive income, stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Trumansburg Telephone Company as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Bush & Germain PC

TRUMANSBURG TELEPHONE COMPANY

Exhibit A

CONSOLIDATED BALANCE SHEETS**CONFIDENTIAL**DECEMBER 31, 2013 and 2012

	<u>2013</u>	<u>2012</u> <u>AS RESTATED</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 1,730,323	\$ 639,839
Telecommunications accounts receivable	867,772	642,569
Other accounts receivable	3,351,067	2,239,578
Marketable securities	3,052,028	2,689,439
Materials and supplies	1,741,586	2,194,057
Prepaid expenses	347,423	372,707
Cash surrender value of officers life insurance net of policy loans of \$-0- AND \$15,158, respectively	<u>310,750</u>	<u>990,929</u>
	<u>11,400,949</u>	<u>9,769,118</u>
NONCURRENT ASSETS:		
Other investments	465,209	365,449
Prepaid expenses	<u>1,373,170</u>	<u>297,391</u>
	<u>1,838,379</u>	<u>662,840</u>
TELEPHONE PLANT - AT COST:		
Telephone plant in service	47,422,658	43,217,392
Telephone plant under construction	<u>2,056,044</u>	<u>1,553,079</u>
	49,478,702	44,770,471
Less: Depreciation reserve	<u>(21,220,689)</u>	<u>(19,701,552)</u>
	<u>28,258,013</u>	<u>25,068,919</u>
 TOTAL ASSETS	 <u>\$41,497,341</u>	 <u>\$35,500,877</u>

The accompanying notes are an integral part of the financial statements.

TRUMANSBURG TELEPHONE COMPANY

Exhibit A

CONSOLIDATED BALANCE SHEETS**CONFIDENTIAL**DECEMBER 31, 2013 and 2012

	<u>2013</u>	<u>2012</u> <u>AS RESTATED</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Current maturities - long term debt	\$ 1,945,660	\$ 1,473,237
Accounts payable	3,025,390	1,988,151
Demand notes payable	83,367	83,367
Advanced billings and customers' deposits	1,454,156	1,363,113
Accrued taxes	64,524	-
Accrued interest	22,834	17,450
Accrued dividends	14,672	-
Due to affiliates	3,583,725	3,210,985
Deferred compensation	34,787	34,787
Other current liabilities	989,799	1,027,154
	<u>11,218,914</u>	<u>9,198,244</u>
LONG-TERM DEBT	<u>4,354,546</u>	<u>3,684,681</u>
DEFERRED CREDITS AND OTHER LIABILITIES:		
Advanced billings	8,966,964	5,669,795
Deferred federal income tax	2,377,444	2,300,425
Postretirement benefits	309,143	310,292
Deferred compensation	78,496	129,886
Other deferred credits	153,458	136,274
	<u>11,885,505</u>	<u>8,546,672</u>
STOCKHOLDERS' EQUITY:		
Common stock - \$.50 par value;		
Authorized 800,000 shares;		
Issued and outstanding: 480,000 shares	240,000	240,000
Paid-in capital	517,665	440,173
Accumulated other comprehensive income	439,585	346,738
Retained earnings	15,495,901	15,521,354
Unearned ESOP shares	(630,113)	(756,733)
Treasury stock (73,520 and 63,990 shares at cost)	<u>(2,024,662)</u>	<u>(1,720,252)</u>
	<u>14,038,376</u>	<u>14,071,280</u>
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 <u>\$41,497,341</u>	 <u>\$35,500,877</u>

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

CONFIDENTIAL

FOR THE YEARS ENDED DECEMBER 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES:		
Local network service	\$ 3,660,972	\$ 3,169,567
Network access and long distance network service	2,778,979	2,787,032
Equipment sales and support	13,424,244	15,466,841
Internet and bandwidth services	6,490,158	4,702,524
Sales and support services	536,749	565,273
Miscellaneous	641,092	822,645
Less: Uncollectible operating revenues	<u>(120,858)</u>	<u>(121,689)</u>
Total operating revenues	<u>27,411,336</u>	<u>27,392,193</u>
OPERATING EXPENSES:		
Plant specific	1,385,329	1,168,092
Plant nonspecific:		
Depreciation	3,062,560	2,508,489
Other	1,975,822	1,387,090
Cost of sales	13,546,009	15,043,222
Customer operations	3,918,329	3,663,015
Corporate operations	3,262,792	3,031,745
Other operating taxes	<u>419,746</u>	<u>364,591</u>
Total operating expenses	<u>27,570,587</u>	<u>27,166,244</u>
Net operating income (loss)	(159,251)	225,949
OTHER INCOME AND (EXPENSE) - NET	<u>222,466</u>	<u>58,571</u>
Income before provision for income taxes	63,215	284,520
FEDERAL INCOME TAX (EXPENSE)	<u>(29,164)</u>	<u>(99,513)</u>
Net Income	<u>34,051</u>	<u>185,007</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX:		
Unrealized holding gains arising during the year, net of reclassification adjustment	132,019	123,358
Postretirement benefit obligations, net of amortization	<u>(39,172)</u>	<u>(26,077)</u>
Other comprehensive income	<u>92,847</u>	<u>97,281</u>
Comprehensive Income	<u>\$ 126,898</u>	<u>\$ 282,288</u>

The accompanying notes are an integral part of the financial statement.

CONSOLIDATED STATEMENTS OF CASH FLOWS

CONFIDENTIAL

FOR THE YEARS ENDED DECEMBER 31, 2013 and 2012

	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	\$ 34,051	\$ 185,007
Adjustments to reconcile net income to		
Net cash provided by operating activities:		
Depreciation and amortization	3,062,560	2,510,889
Deferred income tax	29,188	99,513
Cash value of officers life insurance	(3,355)	(27,002)
(Income) from 50% owned subsidiaries	(90,010)	(48,482)
(Gain) on sale of securities	(286,464)	(130,679)
Non cash ESOP satisfaction of liabilities	174,339	160,478
(Income) from investments	(17,798)	(9,769)
Non cash stock option charges	29,773	31,600
Change in assets and liabilities:		
(Increase) Decrease in accounts receivable and		
other accounts receivable	(1,336,692)	(187,501)
(Increase) Decrease in materials held for resale	486,045	993,500
(Increase) Decrease in prepaid expenses	(1,050,495)	(30,467)
Increase (Decrease) in accounts payable	1,037,239	(847,802)
Increase (Decrease) in advanced billings		
and deposits	3,388,212	2,859,323
Increase (Decrease) in accrued expenses	84,580	(273,773)
Increase (Decrease) in due to affiliate	372,740	8,399
Increase (Decrease) in other current		
liabilities	(37,355)	167,490
Increase (Decrease) in other liabilities	(111,890)	(58,036)
Increase (Decrease) in deferred credits	17,184	18,102
Net cash provided by operating activities	<u>5,781,852</u>	<u>5,420,790</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(6,251,654)	(8,515,784)
(Increase) Decrease in materials and supplies	(33,574)	157,607
Reinvestment and new funds in investments	(2,625,519)	(1,552,938)
Proceeds from sale of securities	2,749,423	1,698,646
Distribution from partnerships	8,048	8,974
Proceeds from surrender of life insurance policies	704,162	-
Premiums paid for life insurance	(20,628)	(28,758)
Net cash used in investing activities	<u>(5,469,742)</u>	<u>(8,232,253)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Additional long-term debt	1,933,960	3,099,840
Payments of long-term debt and ESOP repurchases	(1,096,082)	(1,498,783)
Dividends	(59,504)	(59,651)
Net cash provided (used) by financing		
activities	<u>778,374</u>	<u>1,541,406</u>
Increase (Decrease) in cash and cash		
equivalents	1,090,484	(1,270,057)
Cash and cash equivalents at beginning of year	<u>639,839</u>	<u>1,909,896</u>
Cash and cash equivalents at end of year	<u>\$ 1,730,323</u>	<u>\$ 639,839</u>

The accompanying notes are an integral part of the financial statements.